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Summary record of the 12th meeting
Held at Headquarters, New York, on Thursday, 13 October 2011, at 3 p.m.

Chair: Mr. Zdorov (Vice-Chair) ..... (Belarus)

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11-54352 (E)

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In the absence of Mr. Momen (Bangladesh), Mr. Zdorov (Belarus), Vice-Chair, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 18: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference (*continued*) (A/66/329, A/66/334; A/66/75-E/2011/87)

1. **Mr. Trepelkov** (Director, Financing for Development Office, Department of Economic and Social Affairs), introducing the report of the Secretary-General on innovative mechanisms of financing for development (A/66/334), said that the current report complemented the Secretary-General's reports on implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development. It reviewed the scope of innovative financing mechanisms and examined their contribution to achieving the Millennium Development Goals (MDGs), particularly those relating to health and environment.

2. The report also examined the implications of innovative financing for aid architecture and effectiveness, including alignment with national priorities, predictability and sustainability. Different interpretations of innovative finance yielded different estimates of its scope and scale. For the World Bank, innovative finance meant generating funds by tapping new sources or engaging new partners. Such mechanisms had raised $57 billion from 2000 to 2008. The Organization for Economic Cooperation and Development (OECD) defined innovative financing as mechanisms going beyond traditional spending approaches; such mechanisms had generated some $37 billion from 2002 to 2010. Quantifying the extent of additionality of such mechanisms was not a straightforward matter.

3. Innovative financing had helped to save millions of lives worldwide and to cope with climate change adaptation and mitigation. In both health and climate finance, there was fragmentation of resources and room for streamlining of delivery procedures based on best practices. The report discussed sustainability and predictability of finance as well as efforts to move towards a common monitoring and evaluation mechanism, common performance indicators and common management processes such as joint audits and simplified procurement systems. Many mechanisms included a wide range of stakeholders, for which strong leadership at the country level was critical for successful project design.

4. The report recommended making innovative finance mechanisms more durable, predictable and effective and exploring possibilities for creating new ones. An international agreement on the definition and scope of innovative finance would provide the basis for standardized reporting and accounting. The delivery and monitoring mechanisms in the health sector needed to be reviewed and streamlined, minimizing complex structures and maintaining controls. There was also a strong case for general budget support. Harmonization of evaluation mechanisms would reduce transaction costs, and there was a need for independent evaluation at the international level to assess delivery and impact. The General Assembly should consider setting up a working group on innovative mechanisms of financing for development, with the involvement of all stakeholders, to examine existing and proposed mechanisms and make recommendations.

5. **Mr. Suárez Salvia** (Argentina) said that innovative mechanisms of financing could help developing countries to mobilize additional resources on a stable, predictable and voluntary basis. Considerable progress had been made on innovative financing since the Monterrey and Doha conferences. Innovative financing should be disbursed in accordance with the national priorities of developing countries. It should not replace or negatively affect traditional funding sources, or unduly burden countries. Priorities should remain focused on providing additional, stable and supplementary resources to traditional development financing. A precise and agreed definition of innovative financing was needed in order to establish an appropriate reference point and framework for discussion. In conclusion, he said that further consideration must be given to the relationship between innovative financing and official development assistance (ODA).

6. **Mr. Bhattarai** (Nepal) said that the mobilizing potential of innovative financing mechanisms was high, and that such financing had helped channel resources to many developing countries, especially in the areas of health, climate change and environment. For example, millions of lives had been saved through reduced prices of treatment of some diseases. All possibilities should be systematically explored to make innovative financing more durable, predicable and

effective. As recognized in the Istanbul Declaration and Programme of Action, innovative financing mechanisms could contribute to the development of the least developed countries. Such mechanisms should not be viewed as a substitute for traditional sources of finance but rather should supplement them and be disbursed in accordance with the priorities of the least developed countries.

7. He expressed deep concern that additional resources generated through the clean development mechanism had not benefited the least developed countries which, because of their weaker institutional capacities and limited resources, were the least responsible for greenhouse gas emissions. The governance structure of the clean development mechanism should streamline its procedures in order to ensure easy access by the least developed countries. It was also vital to resolve difficulties in establishing criteria for the allocation of adaptation funds, and the capacity to adapt to the adverse effects of climate change, as well as a methodology for identifying levels of vulnerability and levels of risk arising from delay.

8. The international community must come to an agreement on the definition of "innovative development finance" in order to provide a basis for standardized reporting and accounting and to know exactly the quantum of resources mobilized. Complex structures should give way to inclusive and representative institutions such as the United Nations and to resources provided in the form of general budget support. Predictability and sustainability of innovative finance remained key concerns. The General Assembly should consider setting up a working group on innovative mechanisms of financing for development to examine the potential of existing and proposed mechanisms and to make appropriate recommendations concerning them.

9. **Mr. Benmellouk** (Morocco) said that his delegation welcomed the considerable progress made since the adoption of the Monterrey Consensus in mobilizing financial resources through innovative mechanisms. Such mechanisms could fill the gap in development financing, especially in the post-crisis context, and would be more effective if they were of global scope and promoted by the United Nations. Involvement by all Member States would surely lead to sustainable, predictable and effective mobilization of additional resources. The Leading Group on Innovative Financing for Development had identified several avenues for enquiry and submitted a series of proposals. The latest was a levy on international financial transactions, which had the potential to generate substantial financial resources.

10. Most of the $37 billion derived from innovative financing mechanisms were earmarked for health and for climate change and the environment; $31 billion of that total had been allocated to the latter. Morocco believed that other priority areas should be included as well, such as education, food security, maternal health and access to drinking water in rural areas. The international community had a duty to help needy countries, especially in Africa, to reach the MDGs by 2015. As a signatory of the International Drug Purchase Facility (UNITAID), Morocco was committed to developing innovative financing, seeking practical mechanisms and contributing additional and predictable resources. Morocco believed that the principles laid down in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action should be respected in using the resources mobilized.

11. Morocco wished also to stress the importance of remittances by migrants as a source of financing for many developing countries. Governments and the private sector should make every effort to facilitate remittances and reduce their transaction costs.

12. **Ms. Yoo** Hye-ran (Republic of Korea) said that, in her country's view, international development cooperation should not be confined to the traditional approach. A new development architecture should provide robust, stable and reliable funding mechanisms resistant to changing economic and political conditions. Securing sustainable financial support was crucial to attaining the MDGs. Innovative financing had been successfully introduced by such entities as UNITAID and the Global Alliance for Vaccines and Immunization (the GAVI Alliance), a landmark accomplishment to be emulated in other sectors. As a member of the Leading Group on Innovative Financing for Development, the Republic of Korea was one of the pioneers in introducing the international solidarity levy on air tickets as a mechanism for combating pandemic diseases. Efforts should be made to engage more actors in development, including the private sector and civil society. Innovative financing for development would also be addressed at the 2011 summit of the Group of 20 (G-20). Such discussions attested to the growing recognition of the potential of innovative financing. Her delegation welcomed the Secretary-General's proposal for a working group on innovative mechanisms

of financing for development (A/66/334, para. 79) and would actively participate in discussions on it.

13. **Ms. Smaila** (Nigeria) said that her delegation endorsed the report of the Secretary-General, which coincided with preparations for the High-Level Dialogue on Financing for Development. As developing economies were relatively disadvantaged in accessing international capital markets, steps must be taken to safeguard the financial capacities of the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) in order to sustain scaled-up assistance to client countries. Meanwhile, previous commitments to the International Development Association (IDA) must be honoured. It was to be hoped that a stronger capital base would facilitate IBRD enclave lending to IDA countries, and that fragile countries worst hit by the crisis would have greater access to financing.

14. Although official development assistance (ODA) had reached an unprecedented $129 billion in 2010, the net ODA ratios of many large donors remained below 0.7 per cent and aid to least developed countries had been insufficient to achieve the target of 0.15-0.20 per cent. Innovative financing sources were expected to supplement traditional development finance, and expectations regarding their potential increased with the approach of the 2015 deadline for achieving the Millennium Development Goals.

15. The G-20 had been instrumental in averting an even more serious economic downturn and setting the stage for recovery but should forge stronger linkages with non-members and universal international bodies, particularly the United Nations. There was also a need to ensure complementarity of policy coordination efforts among the United Nations, the International Monetary Fund, the G-20 and other multilateral stakeholders.

16. Recovery of the developing economies from the deep economic recession might take much longer than expected. Efforts to stimulate economies and action to create jobs and safety nets were critical to preserving the remarkable gains of the previous decade and to making inroads into poverty reduction. Her delegation applauded the World Bank Group for establishing new instruments such as the IDA Fast Track Initiative and hope that disbursements would be expedited as well. Such efforts, while commendable, fell far short of what was needed to respond to the crisis.

17. In Nigeria, GDP growth had risen from 7 per cent in 2009 to an estimated 8.1 per cent in 2010, underscoring the resilience of the economy. Medium-term prospects were also bright, and her Government was pursuing a transformation agenda to address developmental needs and future challenges. Economic recovery was proceeding at varying speeds in different parts of the world, remaining weak in advanced economies until late 2011 but recovering faster in emerging and developing economies. The continued rebound in commodity prices was a spur to growth in commodity-producing regions. Moreover, the inflation risk of the rebound was mitigated by low levels of capacity utilization, weak demand and well-anchored inflation expectations.

18. Africa's health challenges remained formidable. Despite progress in the fight against AIDS, malaria and other communicable diseases were on the rise. In Nigeria, more than 90 per cent of the population — more than 52 per cent of them children — remained at risk of contracting malaria. Its eradication should be a top priority on the international agenda.

19. Nigeria recognized the urgent need to address climate change and called for strong political will and cooperation among States with a view to implementing the United Nations Framework Convention on Climate Change. In that connection, her Government had established the Special Climate Change Unit to facilitate protection of Nigeria's environment, including the climate system, and conservation of its natural resources.

20. Nigeria believed that all objectives of the Monterrey Consensus could be achieved with collective determination and readiness to provide a critical mass of development assistance. The long-standing target of 0.7 per cent of GNP for ODA had proven to be currently unattainable. Nations should therefore agree on a realistic target for the following few years, corresponding to their collective sense of urgency, responsibility and atonement for past failures.

21. In conclusion, she stressed the need for prompt reform of the international financial system to enable its institutions to function more efficiently, effectively and accountably, enhancing delivery capacities of regional financial institutions to enable them to support development, especially in sub-Saharan Africa.

22. **Mr. Frick** (Liechtenstein), referring to the section of the report on combating money-laundering and tax

evasion, said that under the Liechtenstein Declaration, his country had committed itself to implementing internationally recognized standards of transparency, information exchange and international cooperation on tax matters. Accordingly, it had concluded numerous information exchange and double taxation agreements. Liechtenstein believed that transparency in international regulation processes was key to ensuring equal participation by all States and achieving a level playing field.

23. His Government had embraced the principles of the Copenhagen Accord as a guideline for the development of a successor to the Kyoto Protocol. Parliament had agreed to provide additional seed funding to address climate change in 2011 and 2012, complementing Liechtenstein's ODA and the measures it had taken to combat the damaging effects of climate change in developing countries.

24. Reaching the aid target of 0.7 per cent for ODA, however, must always remain the central goal. Liechtenstein had repeatedly declared its intention to achieve that target by 2015 and there was evidence it had reached 0.6 per cent in 2010. It was determined to use its modest resources to make a concrete and visible contribution to sustainable development, focusing on neglected regions and on areas in which it had special expertise. Liechtenstein had focused on the least developed countries throughout the MDG campaign and had already surpassed the goal of 0.2 per cent of GNI for ODA in 2010.

25. Measures to effectively fight corruption, money-laundering and illicit financial outflows, and to promote good governance, had great potential within the context of innovative mechanisms for development financing. Liechtenstein had cooperated closely with the Global Programme against Money-Laundering and in previous years had made available to that and other programmes the special expertise of both its Financial Intelligence Unit and Office of the Public Prosecutor. Liechtenstein also gave financial support to the Basel Institute on Governance, particularly through its International Centre for Asset Recovery (ICAR), which offered training and capacity-building for developing countries in their efforts to recover stolen assets.

26. **Mr. Fernández-Arias** (Spain), speaking on behalf of the Leading Group on Innovative Financing for Development, noted that the group comprised 63 member States, various agencies and organizations of the United Nations system and a sizeable number of non-governmental organizations (NGOs) and foundations. A growing number of countries were adopting innovative mechanisms of development finance. Since all countries had a shared responsibility to eradicate hunger and poverty, promote sustainable development and ensure prosperity for all, developed countries must, first and foremost, maintain their ODA commitments for 2015 and respect the principles of aid effectiveness. But new resources must be added to make financing more stable and sustainable, and safe from budgetary fluctuations and political changes, especially in times of crisis. Innovative mechanisms had been successfully implemented in more than 20 countries and had a greater impact through the contribution of sectors of activity that had most benefited from globalization. Over $5 billion had been collected through innovative mechanisms since 2006. Revenues from carbon emission allowances and from levying financial transactions allowed for collection of resources from a number of pioneer countries and there were many other options as well.

27. **Mr. Briens** (France) said that his delegation associated itself with the statement made on behalf of the Leading Group on Innovative Financing for Development, of which France was the Permanent Secretary. The report before the Committee attested to the commendable work done on the item by the Department of Economic and Social Affairs. The pursuit of innovative financing arose from the limits in volume and availability of ODA and from the limitations of the market economy and private financial flows, which essentially worked to the advantage of certain profitable and volatile sectors and certain countries, as the recent financial crisis had again shown. Promoting growth and protecting global public goods, such as adaptation to climate change, required larger, more stable and more predictable capital flows. There was thus a place for mechanisms to address the failings of the market economy and traditional development aid, responding to the challenges of environment, food security, health and education. Such mechanisms were more stable than ODA, supplemented it, and drew upon sectors that had benefited substantially from globalization.

28. Among the five major categories of development finance, which together yielded $5 billion, the Leading Group had identified a levy on financial transactions as the most effective, mainly because the large volume of

such transactions would make it possible to collect over $30 billion per year and studies showed it to be technically feasible. As President Nicolas Sarkozy had noted, there was a strong ethical argument to be made for taxing financial transactions in the same manner as other transactions. It was in the economic interest of the most globalized sectors to contribute to development finance in one way or another. The European Commission had recently proposed to European countries a draft directive on taxing financial transactions under which potential revenues were estimated at €30 to 50 billion per year. Introducing the tax in Europe would constitute a crucial step towards achieving a world consensus without affecting European competitiveness. Coming discussions would be critical. Meanwhile a declaration on taxing financial transactions by the Leading Group had been signed by several countries, and the proposal was a priority of the French presidency of the G-20. While pursuing innovative development financing at several levels, France believed that the universal level, represented by the United Nations, was of cardinal importance. The United Nations must be in a position to help forge responses to collective global problems such as adaptation to climate change, development goals, and eventually sustainable development goals.

29. **Ms. Haalance** (Norway) said that her delegation associated itself with the statement made on behalf of the Leading Group on Innovative Financing for Development. Innovative mechanisms helped developing countries to generate resources for development and climate change, but they should not be used as an excuse for failing to deliver on ODA pledges. Norway had raised its ODA to above 1 per cent of its gross national income and contributed to various initiatives in the area of health, including UNITAID, the International Finance Facility for Immunization, the GAVI Alliance, advance market commitments and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

30. The High-Level Advisory Group on Climate Change Financing co-chaired by Norwegian Prime Minister Stoltenberg and Prime Minister Zenawi of Ethiopia had recommended taxation of financial transactions as a possible source of funds for financing climate change measures. Similarly, an expert group appointed by 12 Leading Group countries, including Norway, had assessed how taxation of the financial sector could be used to fund global public goods, development and climate measures, concluding that a levy on currency transactions was the most feasible alternative. An estimated $30 billion could be generated annually by levying a 0.005 per cent tax on global currency transactions, an idea that Norway advocated. Discussions were also taking place within the framework of the G-20 and in the European Commission. For a levy to be effective, it should include as many countries as possible.

31. **Ms. Adams** (United Kingdom) said that her country, a co-host, with the United States of America, of the recent MDG Countdown: Celebrating Successes and Innovations, remained committed to the achievement of the Millennium Development Goals. Its commitment to spend 0.7 per cent of its gross national income on aid by 2013 was enshrined in its national legislation and it was also striving to make aid more effective by stressing results, transparency and accountability. Her delegation looked forward to the Fourth High Level Forum on Aid Effectiveness in Busan. A strong supporter of innovative financing mechanisms for development, the United Kingdom had helped to drive progress in that area, fostering creative initiatives. For example, the International Finance Facility for Immunization had helped the GAVI Alliance to raise more support from donors and to use funds efficiently for lifesaving vaccines in some of the poorest countries.

32. With regard to financial transaction taxes, the United Kingdom would continue to engage with partners on the issue and had no objection in principle, but any such tax should apply globally. There were practical issues to be resolved. However, the current priority should be meeting existing ODA commitments, for which innovative financing was not a substitute.

33. The final push to meet MDG commitments by 2015 came at a difficult time for the global economy. The path to recovery would be arduous but decisive action should be taken to secure strong, sustainable and balanced growth, avoiding a return to unsustainable imbalances in global demand. Financial market regulation had an important role, and it was crucial to find a way to advance trade negotiations and strengthen the multilateral trading system, since trade was a driver of growth and development.

34. **Mr. Hermann** (Brazil) said that his delegation fully endorsed the statement made on behalf of the Leading Group on Innovative Financing for

Development. The report on the item contained insightful suggestions for dealing with innovative mechanisms for development finance.

35. In 2004, the Governments of Brazil, Chile, France and Spain had launched an initiative to fight global poverty and hunger, calling on the international community to create new sources of financing in order to achieve the MDGs. The experience of recent years had shown that significant resources could be effectively mobilized without subtracting or detracting from traditional sources of development assistance. Brazil was convinced that a comprehensive discussion on innovative financing must be an integral part of the United Nations agenda, and the Second Committee was the appropriate forum for it.

36. Innovative financing mechanisms had generated more than $5 billion since 2006, having an impact on poverty reduction through the contribution of those sectors that had most benefited from globalization. While innovative mechanisms had proven effective and significant, several defining features must be preserved in order to keep them true to their original purpose. First, they must be voluntary in nature, and not unduly burden developing countries; secondly, they must be additional to traditional sources of funding such as ODA; and, lastly, they must be channeled in ways that respected national ownership, aligned with the recipients' long-term national development goals and priorities.

37. The commitment of Brazil under President Dilma Roussef to generate resources that were stable, predictable and additional to traditional financing resources was as strong as ever. The Brazilian Congress had adopted legislation renewing Brazil's commitment to initiatives such as UNITAID and the GAVI Alliance.

38. Brazil was concerned about information in the Secretary-General's report indicating that a significant proportion of revenues raised through innovative financing mechanisms were currently being recorded as ODA. Allowing the same revenues to be counted twice violated the principle of additionality and distorted the commitments undertaken by Member States. An appropriate solution to the problem must be found to ensure that resources generated by innovative mechanisms would be properly quantified and reflected in official figures.

39. Systematic consideration should be given to using innovative financing schemes in a number of areas that exhibited great potential to generate additional resources, including education, agriculture and financial transactions.

40. **Mr. Pirkouhi** (Islamic Republic of Iran) said that his country recognized the importance of exploring innovative sources of financing, at both the national and international levels, to be used to meet development needs and to alleviate poverty, disease and hunger. Although progress had been made, much more could be done. A clear definition of innovative resources seemed highly desirable. Meanwhile, the exploration of potential sources of innovative financing should not be limited, placing one or two options under the spotlight while others, such as the world arms trade, went largely unnoticed. Based on the principle of "polluters pay", those activities having a direct adverse impact on world peace, development and stability should be subject to international taxes. Despite the global crisis, the world arms trade was growing, with an increase of 22 per cent in the average volume of arms sales over the previous five years. The business of war reaped huge profits while causing agony and destruction for the world and its people. It was perhaps time for the business of war to assume its responsibility for peace and development. That was not a new idea. A number of proposals for a tax to finance development with savings from the arms trade, in line with General Assembly resolution 65/52, had been made during the previous two decades. In light of the serious consideration being given to innovative sources of development financing, those earlier proposals needed to be revisited and all possible ways to implement them should be explored.

41. **Ms. Geissler** (Germany) said that her country aligned itself with the statement made on behalf of the Leading Group on Innovative Financing for Development, of which Germany was an active member. Her delegation welcomed the interesting and noteworthy recommendations contained in the Secretary-General's reports. Germany was fully committed to pursuing the potential of innovative financing mechanisms. It used revenues from carbon emission allowances for development purposes and mobilized investor finance for the same purpose, and would continue on that path.

42. External assistance was important but the need to mobilize domestic resources was equally important.

Germany actively supported developing countries in that regard through bilateral cooperation and through the International Tax Compact. At the most recent meeting of the International Tax Compact, representatives from 33 countries and various international organizations and tax associations had shared good practices from developing countries and encouraged broader South-South cooperation.

43. It was also important to be mindful of how additional development funding was put to use. She called for increased efforts to enhance the effectiveness of assistance. With respect to the statistical classification of innovative mechanisms, her delegation welcomed the clear language of paragraphs 5 and 10 of the Secretary-General's report (A/66/334). Whether development financing was traditional or innovative, what mattered was that more aid be employed more effectively.

The meeting rose at 4.40 p.m.

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Summary record of the 13th meeting
Held at Headquarters, New York, on Monday, 17 October 2011, at 10 a.m.

Chair: Mr. Yohanna (Vice-Chair) ..... (Nigeria)

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Agenda item 23: Eradication of poverty and other development issues

(a) Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017)

(b) Women in development

(c) Human resources development

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11-54784 (E)

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In the absence of Mr. Momen (Bangladesh), Mr. Yohanna (Nigeria), Vice-Chair, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 23: Eradication of poverty and other development issues

(a) Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (A/66/221)

(b) Women in development (A/66/219)

(c) Human resources development (A/66/206)

1. **Ms. Bas** (Director, Division for Social Policy and Development, Department of Economic and Social Affairs), introducing the report of the Secretary-General entitled "Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017)" (A/66/221), noted that despite some progress, poverty remained high and persistent in many regions. Inequitable economic growth, slow employment creation, increasing global food prices, weak agricultural development, climate change and conflict all posed major challenges to poverty reduction.

2. The report underscored the importance of achieving inclusive and sustained growth and encouraged the implementation of macroeconomic policies that promoted the creation of productive employment. Agricultural and rural development were also vital to reducing poverty, as were measures such as providing access to basic health care and giving basic cash transfers to families with children.

3. During the Second Decade, policy coherence and coordination were being improved in support of the Global Jobs Pact and the Social Protection Floor Initiative. However, in the absence of contributions to the World Solidarity Fund, the United Nations Development Programme (UNDP) had been unable to set up a structure for the management or implementation of the Fund.

4. The report underscored the importance of a coordinated response to achieving the Millennium Development Goal (MDG) of reducing poverty and ensuring sustainable recovery. That would require enhancing policy coherence and promoting stronger inter-agency collaboration within the framework of the Second Decade.

5. **Ms. Puri** (Assistant Secretary-General, United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)), introducing the report of the Secretary-General entitled "Integrating a gender perspective into national development strategies" (A/66/219), said that the United Nations had strong evidence that gender-sensitive approaches, together with women's full participation in political and economic processes at all levels, translated into more sustainable solutions to the challenges facing the global community, such as those involving economic growth, food security, climate change and conflict resolution.

6. Effective systems of justice were a foundation for women's economic empowerment. Success in achieving Goal 3 of the MDGs (promoting gender equality and empowering women) played a critical part in determining the success of all the other MDGs. Despite some progress towards achieving Goal 3, much remained to be done. Closing the gender gap in agriculture could also generate significant gains for that sector and for society as a whole. While the World Bank's 2012 report on gender equality and development pointed to gains that had been made in terms of women's rights, education, health and access to jobs, it also highlighted a number of vital measures for closing the gender gap, such as increasing women's access to economic opportunities. She encouraged all delegations to address gender issues when debating the various agenda items taken up by the Second Committee and to consider how women could benefit from their policy recommendations.

7. Gender-responsive budgeting could help Governments decide whether and how policies needed to be adjusted and where resources needed to be allocated for the achievement of gender equality. The Secretary-General's report pointed to evidence that such budgeting had helped to: address the gaps between Government commitments to achieve gender-equality goals and the corresponding allocation of resources; build the planning and budgeting capacities of Government agencies, especially in the context of budget reform; promote accountability towards women concerning the use of public resources; and increase the transparency of policy processes through the participation of civil society.

8. The analysis by UN-Women of the actions taken by Member States to integrate gender perspectives into their development strategies and the support provided

to them for that purpose by the United Nations system and donor countries showed that States had taken a wide range of measures to ensure that gender-equality issues were addressed in national strategies and programmes, including the mainstreaming of gender issues in all stages of policy development, implementation, monitoring and evaluation.

9. UN-Women had also reviewed measures taken by donors and bilateral development partners to integrate a gender perspective into all their development cooperation work, including official development assistance (ODA). That was especially important in light of the significant changes in the architecture of aid programmes since the adoption of the Paris Declaration on Aid Effectiveness in 2005 and the Accra Agenda for Action in 2008. The Fourth High-level Forum on Aid Effectiveness, to be held in Busan in November 2011, would provide an opportunity for Member States, including the least developed countries, to integrate gender-responsive budgeting into their aid management system and capacity-building initiatives. She welcomed the International Development Association's recent allocation for gender equality; if properly used, it could well prove transformative in recipient countries.

10. The Secretary-General's report put forward recommendations to strengthen gender mainstreaming efforts in national development strategies, sectoral plans and development-cooperation work carried out by United Nations entities. It also recommended steps to enhance participation and accountability and to improve the allocation and tracking of resources. In addition, more work was needed to improve measures and tools for gender mainstreaming, including the effective application of gender-responsive budgeting, systematic collection, analysis and dissemination of sex-disaggregated data and the development of gender-sensitive indicators for monitoring and reporting on progress and impacts.

11. One year after its establishment, UN-Women was seriously under-resourced, which hampered its ability to deliver on the expectations of stakeholders. While its donor base had expanded to include 106 countries, and the voluntary contributions received from Member States were sincerely appreciated, it was still short of targets. It therefore looked forward to receiving increased contributions, especially during its ongoing start-up period.

12. **Mr. Pierre** (Officer-in-Charge, Office for Economic and Social Council Support and Coordination, Department of Economic and Social Affairs), introducing the report of the Secretary-General on human resources development (A/66/206), said that regrettably, many countries continued to face challenges in developing adequate human resources, and those challenges had been exacerbated by slow and uneven economic recovery, growing unemployment and high and volatile food and energy prices. To respond to unemployment, many countries had increased labour market flexibility through deregulation; however, that had often resulted in lower wages and adversely affected working conditions.

13. The international community should provide sustained assistance to developing countries that would allow them to strengthen their human resources in more targeted and cost-effective ways while improving their capacity to achieve the MDGs. The forthcoming United Nations Conference on Sustainable Development would provide an opportunity for Member States to devise strategies to develop their resources and provide training in the skills required to create a green economy.

14. The Secretary-General's report provided an overview of the main characteristics of the global financial and economic crisis and its interrelationship with human resources development. It highlighted the fact that many Governments were making austerity-induced cuts to expenditures in education, health and human resources development. Governments would need to consider whether, under the current circumstances, they should pursue counter-cyclical measures to maintain investments in training, education and health in order to boost job-rich recovery rather than reduce budget deficits. They would also need to determine how to reduce barriers to employment and decent work, especially those encountered by disadvantaged young adults. In addition, there was a need for innovative measures to maximize the benefits of migration while minimizing its negative effects.

15. **Mr. Mero** (United Republic of Tanzania) said that he found it surprising that the mobilization of resources appeared to be a challenge to UN-Women, in view of all the efforts that had gone into establishing it. He asked for an explanation.

16. **Ms. Puri** (Assistant Secretary-General, UN-Women) said that the Entity's regular budget allocation accounted for less than 2 per cent of its financing, the bulk of which came from voluntary contributions. The target originally set by the Secretary-General for voluntary funds for the first three years of its existence had been scaled down but was still far from being achieved. Political commitment still needed to be fully reflected in financial investment. Among developed countries, the major donors were Australia, Norway, Spain and the United Kingdom; developing country donors included Gabon, India, Nigeria, the Republic of Korea and the United Arab Emirates, which had recently made a large contribution.

17. **The Chair** invited the Committee to engage in a general discussion on the item.

18. **Mr. Suárez Salvia** (Argentina), speaking on behalf of the Group of 77 and China, said that eradicating poverty was the greatest challenge currently facing the world and a prerequisite for sustainable development in developing countries. Indeed, the continuing need to tackle its root causes had been recognized through the proclamation of the Second Decade for the Eradication of Poverty 2008-2017, in view of the slow and uneven progress made during the First Decade, particularly in the most vulnerable countries. However, in the context of the ongoing economic and financial crisis, the prospects of achieving poverty reduction targets and other development goals by 2015 seemed extremely bleak.

19. Measures must be taken to reverse the decline in international resource flows and create jobs, promote productive capacities and strengthen agricultural development. ODA remained crucial in that regard, but debt relief, trade expansion and the removal of trade barriers and agricultural subsidies would also help developing countries, by giving them market access in developed countries for their agricultural and manufactured goods and services. Other urgent matters in that context were the threat of the increasing technological marginalization of the South and the unmet demand among the poor for financial services; they should be addressed respectively through transfers of technology to the developing world and the expansion of microcredit and microfinance institutions. The Group of 77 and China therefore called on the United Nations system and other stakeholders to maximize the role of microfinance instruments, especially for the empowerment of women and rural populations and for the development of small and medium-sized enterprises. The issue of women in development needed to be addressed within the framework of the General Assembly's work on economic and financial matters: the promotion of productive employment and decent work for all was vital for poverty reduction. Poverty was the most pervasive violation of human rights and the right to development and must be addressed through national policies supported by an enabling external environment, with the continuing cooperation of the international community.

20. **Mr. Bairagi** (Nepal), speaking on behalf of the Group of Least Developed Countries (LDCs), said that the eradication of poverty was the greatest development challenge facing humanity. The substantial progress that the international community must make to meet that challenge required strong political will and sufficient support for those most in need. Multiple crises and the impacts of climate change had reversed many of the development gains of the LDCs; they could not achieve equitable economic growth and sustainable development without the removal of constraints and the building of their productive capacity and resilience to shocks. Despite their efforts, present trends made it unlikely that they would be able to reduce the grinding poverty of their people or achieve the internationally agreed development goals by 2015. Agricultural and rural development, infrastructure building, enhanced food and nutritional security, job creation and economic diversification could all make a decisive contribution to those efforts and required the support of the international community.

21. Other essential factors for inclusive and equitable growth were giving poor and marginalized people access to productive resources and essential health and education services and providing them with social protection. The challenge was immense, however, given that the resources required to ensure a social protection floor for LDCs exceeded the total amount of ODA they received. One further source of difficulty for those countries lay in their weak human resource development, exacerbated by the global economic downturn with its many adverse effects on education and health care and an alarming rise in rates of unemployment and underemployment. Nevertheless, poverty eradication still remained within reach; the

countries concerned were committed to doing their part, but they needed stronger support from the international community, in particular through the World Solidarity Fund.

22. **Mr. Khan** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that latest figures concerning the number of people without access to nutritious food, living below the poverty line or simply unemployed gave cause for grave concern. Global food price volatility and extreme weather patterns had made the situation worse by creating a new food crisis, with dire effects on food security and nutrition among the poorest people, especially in the Horn of Africa.

23. Achievement of the MDGs therefore depended on the continued efforts of the United Nations system, in conjunction with the public and private sector; but regional integration would also make a valuable contribution to that end. The ASEAN countries called for support for the development of agricultural productivity through greater and better-targeted investment. Their efforts to eradicate poverty and hunger were hampered by the volatility of food prices, which significantly undermined the objective of halving the number of undernourished people by 2015. The root causes of such volatility needed to be tackled through appropriate, coherent policy measures and mechanisms.

24. The keys to sustainable rural development were peace, political stability and economic stability supported by a vibrant development partnership. In that connection, his delegation called on developed countries to honour their ODA commitments to developing countries, particularly the least developed. It would also be useful if poor countries could be relieved of their debt burden, as that would free resources to fund essential development projects.

25. The ASEAN countries welcomed the call in the report on the Second United Nations Decade for the Eradication of Poverty (A/66/221) for continued regional and international efforts to provide adequate employment opportunities for all workers. At the same time, the network of social security systems in the region needed to be strengthened; initiatives to that end were therefore being encouraged.

26. **Ms. Gunnarsdóttir** (Iceland), speaking on behalf of the Nordic countries, expressed support for developing countries, particularly the least developed among them, in their efforts to eradicate poverty and achieve the MDGs. There was a need to build their long-term resilience and capacity to withstand external shocks and crises, including the effects of conflict, climate change and natural hazards. At the same time, access to affordable, reliable sustainable energy services was critical to poverty reduction.

27. The Nordic countries considered gender equality and women's empowerment to be key policy planks for poverty eradication and development; they looked to UN-Women to push that agenda. Women accounted for a disproportionately large proportion of the world's poor and were often responsible for the livelihood of their families, especially in rural areas. They should be given greater opportunities to participate fully in the labour market, which would contribute significantly to economic growth, as well as in decision-making at the local and governmental level; that was simply a question of democracy.

28. **Mr. Ibrahim** (Sudan) said poverty eradication efforts had been hampered by the surge in agricultural prices, particularly those of basic foodstuffs, combined with climate change and the economic and financial crisis. Some 925 million people had suffered hunger in 2010, and that number could rise. As his delegation had noted at the previous session (A/C.2/65/SR.16, para. 74-75), to achieve sustainable development in Africa, new partnership mechanisms would be needed, and early warning mechanisms for food shortage would be useful. Achieving a green revolution in Africa would entail action to tackle drought and desertification, adapt to climate change and achieve effective natural resource management. His Government's Green Mobilization Project was expected to boost agriculture, industry and transport should lead to investment in development and, in particular, water resources, across the region. To meet the serious challenges of drought, desertification and climate change, his Government had prepared a climate change national strategy the previous year.

29. His country's external debt now stood at $38 billion. Despite the reforms enacted by his Government in 1997, which had raised the growth rate to 7 per cent, the Sudan had not been able to benefit from any debt relief initiative. The international community should grant the Sudan access to debt relief, thereby facilitating the realization of the MDGs, and take initiatives to facilitate developing countries'

access to developed markets and to new agricultural technologies.

30. **Mr. Almeida** (Brazil) said that poverty eradication, together with the elimination of chronic hunger and malnutrition, should remain at the heart of national and international efforts to promote development. Effective policies to that end by developing countries needed international support; it was therefore a matter of concern that ODA delivery by developed countries remained substantially below the internationally agreed levels.

31. The goal of halving extreme poverty by 2015 remained achievable, despite renewed uncertainty in the world economy, provided that coherent policies were pursued with the necessary political will. While sustained economic growth was a condition for long-term social progress and development, it needed to be complemented by inclusive employment and social policies. A basic social protection floor providing universal access to social services could further help to break the long-term poverty cycle, encouraging individuals to acquire the skills to participate in the economy. Human development policies could be particularly important in that regard; aligned with national development strategies and needs, they could help to generate productive employment and decent work, with special attention to vulnerable and disadvantaged groups. Jobless growth was not the answer: policy packages tailored to national situations needed to be adopted in order to promote recovery from the ongoing crisis. The Global Jobs Pact of the International Labour Organization (ILO) offered an appropriate framework for such action and should be further integrated into the work of the United Nations system.

32. Efforts also needed to be stepped up to mainstream gender perspectives in development cooperation work, based on national ownership and leadership. The internationally agreed goals could not be achieved without significant advances in gender equality and the empowerment of women; UN-Women was uniquely placed to lead and coordinate efforts to ensure that commitments assumed in that regard were duly implemented at the country level.

33. **Mr. Al Otaibi** (Saudi Arabia) said that despite the intensive efforts of the international community, the number of LDCs had increased from 24 in 1971 to 48 in 2011; only four countries had left that category. Poverty, unemployment, illiteracy, disease and external debt were growing problems in LDCs. The economic and financial crisis had prevented developed countries from allocating 0.7 per cent of their gross national income to ODA. Protectionist trends further hindered developing countries' access to developed markets.

34. Over the previous three decades, his country had provided some $100 billion in donations and preferential loans to developing countries, in addition to cancelling some $6 billion of debts owed by LDCs. In order to confront food insecurity and rising food prices, Saudi Arabia had donated $500 million to the World Food Programme in 2008. The Saudi Fund for Development had allocated $500 million in preferential loans to projects providing energy to developing countries and LDCs. He urged advanced industrialized countries to provide direct assistance, cancel developing countries' debt and open their markets without unjustified barriers.

35. **Mr. Islam** (Bangladesh) noted that five years after the proclamation of the Second United Nations Decade for the Eradication of Poverty, progress in its implementation had been dismal, and endeavours to reach millions in vulnerable countries had failed. Growth in developing countries required a flow of resources, particularly to the LDCs, and it was the responsibility of developed countries to help in that regard, particularly through ODA and trade.

36. The rescheduling and resolution of sovereign debt were necessary in order to eradicate poverty, and would help Governments fund essential development projects and create productive jobs. The developed countries must remove trade barriers and agricultural subsidies, which constituted serious impediments to the access of their markets by developing countries. In the developed countries, technology belonged to private corporations, which were not bound by Member States' measures aimed at transferring technologies to developing countries. He called for amendments to the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) to address that issue.

37. Full employment and decent work for all, the development of human resources and the economic empowerment of women were vital to poverty reduction. The public sector and the United Nations played an important role in supporting action in those areas. All development assistance given to the

developing countries must be in line with the Accra Agenda for Action and fully respect the principles of national ownership and leadership. He urged the international community to cooperate as a whole to break the vicious cycle of poverty.

38. **Mr. Wang** Qun (China) said that the many economic, political, social and historical factors underlying poverty made its elimination a cross-cutting issue and a joint responsibility of the international community. Although global cooperation for poverty reduction had registered some progress, achieving the corresponding MDG remained an enormous challenge. The international community should strengthen the coordination of macroeconomic policies to promote sustained, inclusive and equitable growth, create a favourable international environment for the eradication of poverty and ensure equal opportunities for developing countries to pursue development. In addition, the United Nations system should strengthen inter-agency coordination in implementing the action plan for the Second Decade.

39. China had worked tirelessly towards achieving the MDGs. Since 1978, it had reduced its population living in extreme poverty by over 200 million, and it was dedicated to reducing poverty further through a new 10-year programme for poverty reduction and development.

40. Despite the enormous progress that had been made in advancing gender equality globally, women as a group remained vulnerable and many challenges had yet to be overcome before equality could be achieved. Continued efforts were needed by the international community to change deep-rooted gender stereotypes, improve women's economic situation and raise their level of social participation and political status. China supported the effective coordination of resources by UN-Women and its policymaking and operational activities, while supporting the leadership role of national Governments in advancing women's empowerment. His Government had been working to implement the Beijing Declaration and Platform for Action by integrating gender awareness into its legal system and public policies, and by pursuing development with the equal participation of women.

41. **Ms. Maw Maw** (Myanmar) said that although economic growth had helped developing countries advance in many areas, it had also increased inequality. Progress in achieving the MDGs required sustained, inclusive, equitable and job-intensive growth. At the same time, economic growth must be supported by policies promoting structural change, typically including agricultural productivity improvements, industrialization, access to global trade and large-scale investments in rural infrastructure and services. In Myanmar, about 70 per cent of the population worked in the agricultural sector, and effective poverty alleviation therefore was contingent upon developing rural areas. While Myanmar's poverty rate had dropped from 32 to 26 per cent, much needed to be done to meet the MDG of reducing its poverty rate to 16 per cent by 2015. Her Government's plan for rural development and poverty alleviation focused on the development of agricultural activities, rural productivity, microfinance institutions, rural cooperative societies, rural energy and environmental conservation. It had also granted tax exemptions on the export of all agricultural produce and timber products, provided paddy seedlings to farmers and backed microfinance programmes.

42. Poverty eradication must be the cardinal development objective of the United Nations. The best way to achieve progress during the Second Decade was to carry out realistic and constructive analyses of the results achieved to date. Myanmar would redouble its efforts to alleviate poverty both at the national and international levels, in cooperation with the international community.

43. **Ms. Ochir** (Mongolia) said that her country was seriously concerned by the overall uneven progress in achieving the MDGs and especially by the sluggish decline in poverty worldwide. At the current rate, as attested by a 2011 report of the Director-General of ILO, it would take another 88 years to eradicate extreme poverty. Poverty eradication was an indispensable requirement for global social justice, equality and sustainable development. Social inclusion, equitable access to basic social services, the promotion of gender equality and the legal empowerment of the poor could also help communities to withstand crises.

44. Mongolia had, by and large, managed to overcome the effects of multiple crises and was well on its way to rapid economic growth. Her Government was aware, however, that growth had to be inclusive and equitable in order for poverty to be reduced significantly. It had developed poverty maps, improved employment promotion policies by enhancing the reliability of the labour statistics system and streamlined key labour concepts in line with its ILO

obligations. It had also established vocational training centres, improved agricultural productivity and food security, and upgraded the birth registration and identity document management system.

45. Mongolia had recently established a human development fund which directly channelled revenues from the mining sector into health services, education, housing and other social benefits available to all of its citizens. In three days' time her nation's capital would be hosting the International Conference on "Avoiding the Resource Curse: Managing Extractive Industries for Human Development", which would discuss the best practices for using natural resource wealth to fund human development.

46. **Ms. Prorok** (Ukraine) said that poverty alleviation required the timely provision of international development assistance, including during humanitarian crises, adding that Ukraine had committed to providing humanitarian assistance to countries of the Horn of Africa through the United Nations system. The implementation in Ukraine of a programme of economic reforms for 2010-2014 had raised pensions and real wages, while the national poverty index had fallen to its lowest level since 2001.

47. The involvement of United Nations bodies in boosting gender equality was welcome, but the progress made in empowering women over the last two decades had nonetheless been fragile and insufficient. Women needed to be included in State development strategies and programmes, particularly policymaking activities, and in the formulation and implementation of development policy.

48. Regarding maternal deaths and HIV/AIDS, she stressed the importance of the adoption in June 2011 of a new Political Declaration on HIV/AIDS, which recognized that women and girls remained the most affected by the epidemic, and that strengthened protection was required. She called on UN-Women to pay particular attention to reducing women's vulnerability to HIV, and emphasized her country's significant success in preventing mother-to-child transmission of the AIDS-causing virus.

49. **Mr. Govrin** (Israel) said that the eradication of poverty remained at the top of Israel's international agenda. A comprehensive approach must be adopted to that end, by way of a sustainable development programme that would address the interlinked challenges of food security, health care, community building and education. Effective and sustainable agricultural practices must also be promoted in that context, as being crucial for food security and enhancing the livelihoods of the rural poor, while helping at the same time to address the effects of climate change.

50. Israel considered the empowerment of women and youth to be another crucial part of any strategy to tackle poverty. All too often, the cycle of poverty was perpetuated because of lack of education and skills. Capacity-building for women and youth was therefore a central concern of the international development agency of his country, which had established, in addition, one of the world's first development training centres devoted specifically to the empowerment of women. Israel remained committed to sharing its expertise and experience in that and other relevant areas with partner organizations and other countries.

51. **Mr. Onemola** (Nigeria) expressed concern that, four years into the Second United Nations Decade for the Eradication of Poverty, little progress had been made in improving the lot of millions of impoverished people in most of the developing countries, particularly the LDCs and all of sub-Saharan Africa. His delegation welcomed the Economic and Social Council resolution (2011/37) on the Global Jobs Pact, which reflected a necessary shift towards more pragmatic policies and closer system-wide collaboration. Within the framework of the Pact, developed country partners should give greater assistance to developed countries in setting up basic social security mechanisms and support the United Nations social security floor initiative. Social security was one of the critical concerns of the Nigerian Ministry of Education and Productivity, along with job creation, productivity, skills development and the promotion of industrial relations. In 2009, it had adopted a national plan of action on employment creation which had been incorporated into the national development plan.

52. There was growing awareness in Africa that the advancement of women was bound to strengthen society as a whole, by virtue of women's basic contributions in households and to food production and national economic life. Gender perspectives should accordingly be incorporated into macroeconomic policies, taking into account intra-household differences in the use and control of resources. In that context, his delegation attached importance to the role of UN-Women. Nigeria, for its part, had taken

measures to enable women to benefit from technological advances in food processing while at the same time investing heavily in skills development programmes to improve work performance and productivity. The country's efforts to achieve the MDGs had demonstrated that it was essential not only to extend basic welfare services for the poorest; it was also important to strengthen productive capacities, address inequalities and create job opportunities across the entire spectrum of the job market while ensuring greater coherence between social and economic policies in the interests of sustainable growth and social inclusion. He called, in conclusion, for increased international support for efforts to eradicate poverty and unemployment in Africa.

53. **Ms. Thakur** (India) said that poverty eradication remained at the very top of the global development agenda, particularly as millions of people had recently slipped back into poverty, thereby reversing years of development gains. Sustained economic growth was the main instrument of poverty alleviation in developing countries, as was strikingly demonstrated by India's own example. Nevertheless, and notwithstanding projected growth of 7.5 per cent in the current year, lifting huge numbers out of poverty, her country was still home to the majority of the world's poor. Growth in itself was not sufficient; it had to be inclusive, and India had tailored its policies accordingly. Moreover, recognizing the multidimensional nature of poverty, her Government had responded by launching large-scale socio-economic programmes that incorporated a pro-job strategy and were aimed at combining equity with growth. India had also taken care to keep women at the centre of its development efforts and had been particularly successful in promoting their participation in local government.

54. Emphasizing the importance of agricultural development, financial inclusion and skills development for poverty reduction in developing countries, she called attention to those countries' need for enhanced resources and policy space to pursue their development, which was constricted by the global economic slowdown. All, particularly the most vulnerable among them, urgently required an enabling international environment in order to meet their foremost challenge — poverty eradication. With that in view, it was imperative to move forward in the Doha Development Round, climate change negotiations and the comprehensive reform of the Bretton Woods institutions.

The meeting rose at 1 p.m.

United Nations A/C.2/66/SR.14

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Chair: Mr. Yohanna (Vice-Chair) ..... (Nigeria)

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In the absence of Mr. Momen (Bangladesh), Mr. Yohanna (Nigeria), Vice-Chair, took the Chair.

The meeting was called to order at 3.15 p.m.

Agenda item 23: Eradication of poverty and other development issues (*continued*)

(a) Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) (*continued*) (A/66/221)

(b) Women in development (*continued*) (A/66/219)

(c) Human resources development (*continued*) (A/66/206)

1. **Mr. Mac-Donald** (Suriname), speaking on behalf of the Caribbean Community (CARICOM), which aligned itself with the statement of the Group of 77 and China, said that the challenges to poverty reduction were mounting. The situation of the World Solidarity Fund was a disappointing testament to the insufficient political will of the international community. Poverty reduction would require sustained, inclusive and equitable economic growth leading to job creation. However, the economic crisis had led to sharp falls in employment and earnings, growing numbers of working poor, surging food prices and global food insecurity.

2. Because agriculture was the main source of livelihood for poor people, CARICOM had established the Caribbean Agricultural Health and Food Safety Agency and the Regional Policy for Food and Nutrition Security. The latter was based on the 2009 Declaration of the World Summit on Food Security and, in particular, principle 3 thereof. CARICOM was also emphasizing the need for the region's population to eat what it produced in order to guarantee food safety and combat chronic non-communicable diseases. All of those challenges required a multisectoral approach.

3. The criteria for reclassifying States as middle-income countries, as had been done for all CARICOM members except Haiti, should include vulnerability, in order to allow for the effects of natural disasters such as hurricanes. The international community should fulfil the pledges made to Haiti after the catastrophic earthquake of 2010 and intensify the reconstruction of the country.

4. Increased attention must be given to social integration of disadvantaged groups. Legal empowerment of the poor as a development strategy should continue to focus on removing barriers to formal markets and institutions, promoting property rights systems that favoured the poor and ensuring equitable and sustainable access to land and other natural resources, while fostering food security and sustainable livelihoods, and also pay attention to increasing opportunities for business linkages and market access.

5. The Millennium Development Goals (MDGs) should continue to be the overarching framework for United Nations development activities. There was a need for a strengthened global partnership for development based on national priorities and ownership of development strategies. CARICOM noted with concern that official development assistance for 2010 had remained below 0.7 per cent of gross national product of developed countries, and applauded those countries that had increased their contributions. Stakeholders should intensify assistance for the implementation of the Global Jobs Pact and Social Protection Floor Initiative.

6. **Ms. Sriphiromya** (Thailand) said that her Government was working to ensure equal opportunities, free primary and secondary education and universal health care. Thailand's approach emphasized agriculture and small and medium-sized enterprises by facilitating access to credit and markets, promoting agricultural productivity and food security, and enhancing competitiveness through research, technology and human resources development. Her Government had adopted the concept of the creative economy: creative industries drawing on the national culture, folk ways and intellectual traditions of each society had great potential for job creation.

7. Deeper regional integration could promote trade and investment, generating employment and creating economies of scale. Integration of the Association of Southeast Asian Nations (ASEAN) was a high priority, as was the development of regional transportation and information communication networks.

8. Thailand supported efforts to enhance coherence and coordination through a system-wide plan of action for poverty eradication and appreciated the contributions made by the private sector, civil society and United Nations entities, particularly the United

Nations Development Programme (UNDP) and the Economic and Social Commission for Asia and the Pacific. Thailand would continue to implement the Global Jobs Pact and the Social Protection Floor Initiative. Lastly, she was grateful for the support that her country had received in order to cope with the recent flooding.

9. **Mr. Abdullah** (Malaysia) said that his country had introduced a range of programmes in pursuit of sustained, inclusive and equitable growth, and expected to achieve developed nation status by 2020. Sustained economic growth could be achieved with proper planning and long-term political stability. Malaysia was now focusing on attracting investment flows and transforming rural areas to bring private investment and employment opportunities. The Government had opened grocery stores and affordable clinics in order to mitigate the effect of rising living costs. Malaysia was on track to eradicate both urban and rural poverty.

10. The Malaysia Technical Cooperation Programme had been established in 1980 in order to promote technical cooperation among developing countries, strengthen regional and subregional cooperation and foster collective self-reliance among developing countries. It stressed human resource development by providing some 70 short-term specialized courses in a range of areas which had benefited over 20,000 participants. Over the previous five years, Malaysia had spent over $66 million on technical assistance and capacity-building under the Programme.

11. **Ms. Al-Hadid** (Jordan) said that the inclusion of the poorest and the most vulnerable in development was a priority of her country's national agenda. Its national strategy for microfinance had been recognized for addressing the areas of health, the environment and education, while also improving economic security for low-income workers and increasing employment opportunities in rural areas.

12. **Mr. Teo** Zi-Ming (Singapore) said that his country's experience showed that the goal of eradicating poverty could be achieved. On attaining self-rule in 1959, it had faced high unemployment, a growing population, labour unrest and political tension. Drawing on the advice of United Nations experts and a range of international agencies, as well as its own good leadership and hardworking population, Singapore had embarked on the process of growth and development. Its excellent education system enabled Singaporeans from disadvantaged backgrounds to reach their full potential. Social safety nets, public assistance and skills training were provided in order to ensure that nobody was left behind. Measures had been put in place to promote universal home ownership and affordable health care.

13. National strategies to combat poverty should be complemented by regional cooperation. ASEAN had taken significant action to narrow the development gap and enhance regional integration. Singapore continued to assist other developing countries by providing training and sharing technical expertise in such areas as education, environmental management, economic development and governance.

14. **Mr. Bamba** (Côte d'Ivoire) said that the persistent effects of the economic and financial crisis continued to thwart efforts to implement the forward-looking macroeconomic policies that Governments had committed themselves to in General Assembly resolution 65/1. Remittances, flows of official development assistance and prices of raw materials for export had fallen. Tackling those problems would require greater synergies and coherence.

15. As it emerged from an acute crisis, Côte d'Ivoire faced a number of challenges including security, reconstruction and economic recovery. His Government had developed a new plan to fight poverty in the period 2012 to 2015. A presidential emergency plan totalling some $90 million had been prepared in order to address immediate needs for drinking water, education, electricity, urban sanitation and health. Well before the end of the post-election crisis, the President had decided to provide free health care for the poorest sections of the population. The Government relied on the support of its development partners including the international financial institutions, the African Development Bank Group, the European Union and bilateral donors. The preconditions for economic recovery were now in place.

16. The recovery strategy focused on the private sector as the engine of growth. At the macroeconomic level, the cocoa, mining, energy, tax and financial sectors would be reformed. Foreign investment would boost the production of coffee and petrol and mining resources. Bridges, motorways and thermal and hydroelectric power stations would be built.

17. **Ms. Agada** (Niger) said her country's poverty reduction strategy until the target year of 2015 saw the rural sector as the principal engine of economic growth. It focused on achieving sustained economic growth by creating wealth and employment, particularly among the rural poor, with a view to creating a diversified, competitive economy in an integrated subregion. However, Niger remained strongly dependent on an agricultural sector that was archaic, inefficient, ineffective and vulnerable to climate fluctuations. The annual economic growth rate of 3.9 per cent from 2002 to 2006 was far from sufficient for it to realize the MDGs by 2015. The population growth rate, which was one of the highest in the world, limited the impact of any major structural change.

18. The new economic and social policy framework was based on the MDGs and the integration and poverty reduction programmes agreed at the continental, regional and subregional levels. The strategy provided that by 2012, the country would achieve a range of target figures with respect to economic growth, poverty rate, malnutrition, literacy, infant mortality, maternal mortality, incidence of HIV/AIDS, access to drinking water and electricity, total fertility rate, protected lands and grain production. Significant progress had already been made in improving school attendance, access to drinking water, youth mortality rates, living standards and women's access to microcredit.

19. **Mr. Fernández-Arias Minuesa** (Spain) said that his delegation supported the Secretary-General's recommendations with regard to integrating a gender perspective into national development strategies. Spain valued the gender perspective both as an end in itself and as a cross-cutting issue. Its current master plan for development included a stronger gender component in order to promote the advancement of women in developing countries. The European Union Plan of Action on Gender Equality, Women's Empowerment in Development 2010-2015, which had been adopted during Spain's presidency of the European Union, was intended to foster implementation of the MDGs at the domestic level.

20. Spain paid particular attention to peacebuilding, combating gender violence and upholding respect for diversity and women's sexual and reproductive rights, and would continue to increase the proportion of its aid intended for gender equality, which had already risen by 400 per cent over recent years. It had concluded framework agreements with international entities whose work either directly or indirectly addressed women's issues, such as the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), UNDP, the United Nations Population Fund and the United Nations Children's Fund. In order to bolster democratic citizenship, it was essential to strengthen feminist and women's civil society organizations and ensure women's effective involvement in public policies. With that end in mind, Spain had established a Fund for Gender Equality within UN-Women.

21. **Mr. Stokes** (Australia) said that gender equality was central to economic and human development, with benefits not only for today's men and women, their families and their communities, but for all subsequent generations. Promoting it was an overarching principle of his country's rapidly growing aid programme, whose main development objectives included improved maternal health, education for girls and the empowerment of women to participate in the economy and in leadership roles.

22. His Government had recently appointed its first Global Ambassador for Women and Girls, who would provide a strong voice in promoting the human and development rights of women and girls around the world. As the Secretary-General's report noted, gender-sensitive budgeting was pioneered in his country in the 1980s, and it continued to set an example of good practices in matching resources to goals, building the planning and budgeting capacities of Government agencies and promoting accountability.

23. More had to be done internationally to ensure the provision of accurate and timely gender-disaggregated data. The United Nations Gender Marker was a successful and practical tool for ensuring that the needs of women and girls were integrated into humanitarian programming, and United Nations agencies should explore how it could be further applied in development programming.

24. Stakeholders and donors should likewise ensure that a gender perspective was effectively integrated into global development cooperation efforts. The upcoming Fourth High-Level Forum on Aid Effectiveness and the United Nations Conference on Sustainable Development (Rio+20) would be important opportunities to secure sustained development

commitments to the world's women and girls. Women and girls in the least developed countries (LDCs) were some of the world's poorest and most vulnerable, and commitments made at the Fourth United Nations Conference on the Least Developed Countries should be met with that perspective in mind.

25. The establishment of UN-Women was a milestone for women in the context of development. Its mandate to coordinate gender-specific initiatives across the United Nations system had the potential to deliver true gains for women and girls. Funding was essential to that end, and his Government had increased its core contribution to UN-Women sixfold between 2009 and 2011. As Australia's aid programme continued to double by 2015, women and girls would remain at the forefront of its focus and its commitments.

26. **Mr. Umetaliev** (Kyrgyzstan) said that development concerns were central to his Government's policies, with poverty reduction, education, public health and protection of the most vulnerable segments of the population commanding particular attention. Since the adoption of the United Nations Millennium Declaration in 2000, extreme poverty in his country had been reduced from 33 per cent of the population to 3 per cent. There was now nearly universal access to clean drinking water, a high level of education had been attained and women had increased their participation in political life.

27. In response to the challenges of poverty reduction, his Government had taken measures to increase spending on social needs, to redistribute revenues in favour of the poorest and most vulnerable, to overcome the effects of the financial crisis, to rein in rising food prices and to target segments of the population adversely affected by structural reforms.

28. High literacy rates had always been one of his country's signal accomplishments, and promoting greater access to higher quality primary, secondary and professional education was a central priority of its national development strategy. With respect to women and development, a long-term programme was needed to promote women's employment, most notably in rural areas. To that end, his country had launched the Agricultural Investments and Services Project, believing that the role of women in development should be appropriately reflected, in the light of the MDGs.

29. **Mr. Hassen** (Ethiopia) said that it was disturbing that more than a third of the population of sub-Saharan Africa continued to live in extreme poverty. Job creation, building productive capacities, investing in rural development and supporting women and children would be key performance measures to gauge the effectiveness of Governments in reducing poverty.

30. In that context, his Government had adopted a successful national Plan for Accelerated and Sustained Development to End Poverty (PASDEP), which had enabled it to achieve sustained economic growth and a significant reduction in poverty. With double-digit annual economic growth since 2004, his country's economy was one of the fastest-growing in the world.

31. While growth was a necessary condition for poverty reduction, it was not of itself sufficient to attaining that goal. His Government had invested over 60 per cent of its budget on programmes to assist the poor and was working directly with communities, stakeholders and international partners to target vulnerable populations, especially women and children. In 1995, 49.5 per cent of his country's population had been severely deprived. A decade later, that figure had dropped to 38.7 per cent, and it had fallen further to 29.2 per cent in 2010. Encouraged by the results, his Government was implementing a new five-year Growth and Transformation Plan to achieve a reduction to 22 per cent by 2015.

32. However, domestic obstacles remained, including economic, financial, technical and cultural problems. Meanwhile, global phenomena such as climate change, rising commodity prices and the economic downturn had all contributed to the challenges being faced. Nothing was more dehumanizing than to live in poverty, and poverty eradication was not only a moral obligation but also in the interests of humanity as a whole.

33. **Mr. Alibabaee** (Islamic Republic of Iran) said that poverty eradication was an indispensable requirement for sustainable development, in particular for developing countries that continued to face numerous shared challenges such as extreme poverty, food insecurity, high unemployment, onerous debt burdens, climate change and a lack of financial aid.

34. In countries with high rates of inequality, growth alone did not help alleviate poverty, but exacerbated its worst effects. As a result, inclusive development could not rely on market forces. As noted in the Secretary-General's report, the impact of growth on poverty reduction depended on how well the benefits of that

growth were distributed. Meeting the MDG target of eradicating extreme poverty by 2015 required not only steady growth but greater assistance for the poorest segments of society, most importantly by targeting growth in sectors capable of generating greater employment. In that context, his Government had a policy of allocating revenues to subsidize poor and less advanced regions, thereby making a major contribution to alleviating unemployment in rural areas.

35. **Ms. Mongwa** (Botswana) said that poverty eradication remained the centrepiece of development goals and aspirations. Poverty was a major impediment to development, especially in developing countries, and it was vital that all individual and common aid commitments should be met. While extreme poverty in Africa had been falling rapidly in recent years, the continent continued to face serious challenges, including worsening terms of trade for African products, a lack of financial resources for development, declining levels of investment in key domestic infrastructure projects, as well as high unemployment rates, especially among the young.

36. Those problems had been amplified by the global food, energy and financial crises to leave developing countries that were net importers of food, such as her own, facing an uphill battle to provide for their populations. Her Government nevertheless believed that the challenges were not insurmountable, and continued to enact a number of social safety nets, including free education, subsidized health-care programmes, access to antiretroviral drugs, provision of food in schools, programmes for orphans and the destitute, and old-age pension schemes. Such programmes required the continued support of the international community, which her Government deeply appreciated.

37. **Mr. Karageorgiades** (Observer for the Sovereign Military Order of Malta) said that the fight against poverty and exclusion were at the heart of his Order's mission: for more than 900 years, its core principle had been to assist every person in distress, without distinction of race, origin or religion. Currently it was active in more than 120 countries through its international humanitarian arm Malteser International, and it had recently inaugurated additional poverty eradication projects in Cambodia, Kenya, Sudan and India.

38. In a world where economic distress was a fact of life, the plight of the poor, the sick, the homeless, the internally displaced, the disabled and the elderly had become ever more acute. As a religious lay order with a long tradition of caring for the disadvantaged, his organization was acutely aware of the need to continue its mission, and was grateful for the Second Committee's understanding that the eradication of poverty was based on a process of social integration founded on consensus and solidarity.

39. **Ms. Barth** (International Labour Organization) said that her organization fully concurred with the policy recommendations outlined in document A/66/221, and reiterated the need for enhanced policy coherence and continued collaboration by Member States, United Nations system agencies, civil society and other partners in support of poverty eradication efforts through the promotion of the Decent Work Agenda.

40. The lag in recovery of the job market in the aftermath of the global economic crisis continued to impede poverty reduction efforts. In seeking solutions, as much attention should be paid to the quality of jobs as to their quantity, as millions were working at a subsistence level, often in the informal economy where they were denied human dignity. Policies had to focus on transforming the economic models that bred poverty in order to deliver economic growth with social justice. The Decent Work Agenda provided an efficient model for attaining that goal.

41. The key to bridging the gap between poverty and decent work was ensuring that full and rewarding employment should be central macroeconomic objectives alongside low inflation and sound fiscal measures. Likewise, the transition to green and sustainable economies was an area where policy coherence could facilitate growth by encouraging investment and the creation of green jobs, as endorsed by the Global Jobs Pact.

42. Her organization was actively cooperating with other specialized agencies to build policy coherence and looked forward to continuing its engagement with Member States, the United Nations system, as well as the NGO Sub-Committee on Poverty Eradication. Decent work was central to poverty eradication efforts and an essential means of achieving more efficient growth which could lead to equitable, inclusive and sustainable development.

43. **Ms. Solomon** (Observer for the International Organization for Migration) underlined the important link between migration and poverty eradication efforts. That link was most forcefully demonstrated by the issue of remittances, which in 2010 had totalled $325 billion through official channels to developing countries alone. The approximately 214 million international migrants worldwide were thus significant actors whose economic and social behaviour needed to be factored into any discussion of poverty eradication.

44. Her organization likewise welcomed the emphasis in the Secretary-General's report on human resources development (A/66/206) on the potential that migration presented for human development. Skills and knowledge transfers associated with migration were valuable additions to national economies, and Governments should dedicate greater attention to migrants' skill development, particularly in destination countries. Likewise, a gender perspective was crucial when designing initiatives to eradicate poverty, and any gender mainstreaming programme, as outlined in the Secretary-General's Report on Integrating a Gender Perspective into National Development Strategies should acknowledge the role of migrant women.

45. **Ms. Ratsifandrihamanana** (Food and Agricultural Organization of the United Nations), speaking also on behalf of the International Fund for Agricultural Development and the World Food Programme, said that women, as 43 per cent of the agricultural workforce in rural areas of developing countries, were indisputable contributors to economic and social development. In many countries women were the main farmers or producers, often with little or no pay, and they were likewise small business entrepreneurs who kept the rural economy alive. Despite their central role, however, they continued to face multiple impediments and their efforts remained largely invisible and unrecognized. Women tended to have smaller plots of land and less secure tenures than men, and were less likely to use improved technologies and purchased inputs, thereby reducing their yields.

46. Promoting gender equality in rural areas therefore needed to become a key component in the fight against poverty and hunger. Ensuring that women had equal access to agricultural inputs could increase production on women-headed farms by up to 30 per cent, which could reduce the number of undernourished people in the world by up to 150 million.

47. Disparities in progress between urban and rural areas were underscored by the fact that rural children were twice as likely to be underweight as their urban counterparts, with severe repercussions for productivity and growth. In order to address the rural gender gap, Governments needed to recognize that policies and institutions had different impacts on men and women. Good rural development policy decisions required a proper consideration of gender differences.

48. In addition gender equality had to be guaranteed both on paper and in practice by allowing women to buy, sell or inherit land, to open savings accounts or borrow money, and to enter into contracts or sell produce. As the 56th session of the Commission on the Status of Women, Rio+20 and the 2015 target date for the MDGs approached, greater attention had to be paid to the role of rural women in development.

The meeting rose at 5 p.m.

United Nations A/C.2/66/SR.15

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Summary record of the 15th meeting
Held at Headquarters, New York, on Wednesday, 19 October 2011, at 10 a.m.

Chair: Mr. Yohanna (Vice-Chair) ..... (Nigeria)

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11-55490 (E)

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In the absence of Mr. Momen (Bangladesh), Mr. Yohanna (Nigeria), Vice-Chair, took the Chair.

The meeting was called to order at 10.18 a.m.

Agenda item 21: Globalization and interdependence (A/66/187)

(a) Role of the United Nations in promoting development in the context of globalization and interdependence (A/66/223)

(b) Science and technology for development (A/66/208)

(c) Development cooperation with middle-income countries (A/66/220)

1. **Mr. Bandarin** (Assistant Director-General for Culture, United Nations Educational, Scientific and Cultural Organization (UNESCO)), introducing the report of the Secretary-General (A/66/187), said that in response to General Assembly resolution 65/166 to submit to it at its sixty-sixth session, UNESCO had prepared, in collaboration with 17 other agencies and entities, a progress report on its implementation and an assessment of the value and desirability of organizing a United Nations conference on culture and development. The report outlined recent developments that supported the integration of culture into development strategies and programmes, i.e. the culture and development window of the Millennium Development Goals Achievement Fund of $95 million financed by Spain and implemented by many United Nations agencies under the coordination of UNESCO, and the Outcome Document of the High-Level Plenary Meeting of the General Assembly on the Millennium Development Goals (MDGs), which emphasized the importance of culture for development and its contribution to the MDGs.

2. A United Nations conference on culture and development would inform Member States on how the mainstreaming of culture could make future policies and operations more effective, and on the need to address the nexus between culture and the three pillars of development. Shared policies and practices would lead to a shared vision.

3. The assessment proposed a two-day conference with some 500 high-level Government representatives, heads of intergovernmental entities, development banks, NGOs, civil society, foundations and the private sector. The budget estimate for such a meeting at United Nations Headquarters was $400,000 excluding travel. Alternatively, the conference could be hosted by a Member State. Its timing should provide ample time to take stock of its conclusions prior to the 2015 MDG milestone. A substantive outcome document should enhance understanding of the contributions of culture to inclusive, equitable and sustainable development.

4. **Mr. Pierre** (Chief, Policy Coordination Branch of the Office of ECOSOC Support and Coordination, Department of Economic and Social Affairs), introducing agenda item 21 (a), said that over recent decades, globalization had brought new opportunities to many countries but also greater vulnerability, economic insecurity and inequality: the richest 10 per cent of the world's adults owned 85 per cent of its wealth while the bottom half of the world adult population owned barely 1 per cent. The spread of the effects of the recent economic and financial crisis and recession was a prime example of increased interdependence between economies. Unprecedented stimulus measures had averted a deeper and prolonged global recession, but several countries were still coping with after-effects. Developing countries had witnessed significant risks associated with macroeconomic instability and financial volatility.

5. The Committee might wish to consider the implications of some of the report's key findings. Since sustained economic growth had been shown to be an effective means of reducing poverty, did international cooperation have a role to play in promoting sustained growth? Since sustained growth alone did not guarantee extending benefits to all citizens, what social policies would help vulnerable populations? What collective actions could national Governments, civil society and the private sector pursue in order to promote sustainable job creation? What role could international cooperation play? How could countries increase domestic coherence in order to foster sustained and inclusive growth? How could the international community promote coherence and coordination among monetary, fiscal, regulatory, trade, migration and technology-transfer policies? With a view to curbing the inequities of globalization, how could the international community agree upon a set of tools and standardized measurements and indicators of globalization?

6. Globalization presented many challenges but also many opportunities for fostering more inclusive and

sustainable development. The international community had a duty to seize those opportunities. The upcoming United Nations Conference on Sustainable Development provided one such key opportunity.

7. **Ms. Miroux** (Director, Technology and Logistics Division, United Nations Conference on Trade and Development (UNCTAD)), introducing agenda item 21 (b), said that for two years the Commission on Science and Technology for Development had been discussing several priority issues: new and emerging renewable energy technologies; technologies to address challenges in areas such as agriculture and water; improvements and innovations in financial mechanisms in particular for information and communications technologies; and assessing the impact of information and communication technologies on development.

8. The findings of the Commission's review of the follow-up to the World Summit on the Information Society had been published in the document "Implementing WSIS Outcomes: Experience to Date and Prospects for the Future". Following the Fourth United Nations Conference on the Least Developed Countries, the Commission and UNCTAD had engaged in consultations with the Scientific and Technological Research Council of Turkey on ways to implement the conference outcome.

9. The new UNCTAD publication series, Studies on Science, Technology and Innovation, examined priority themes discussed by the Commission. The first issue had provided an overview of challenges surrounding the use of renewable energy technologies to increase access to energy in rural areas, while another had been devoted to water management and how technologies could help to boost its productivity and resilience. The most recent issue, entitled "Applying a gender lens to science, technology and innovation", stressed that policies for science and technology innovation and their impact on development were strengthened if the gender perspective was taken into account.

10. The new series of UNCTAD technology and innovation reports sought to address issues in science, technology and innovation important to developing countries; the 2011 report would deal in depth with policies in regard to renewable energy and its contribution to mitigating energy poverty in developing countries.

11. Several countries had already benefited from UNCTAD's science and technology innovation policy reviews, which were designed to help Governments ensure that their science, technology and innovation policies and programmes supported national development agendas. Two expert meetings held during 2010 had focused on conceptual and methodological issues in assessing such STI policies and the issue of related indicators; their findings would appear in a document, soon to be completed, that had been requested by the Commission.

12. In future, the Commission would turn its attention to 21st century concerns involving the uses of information technologies for development, to be addressed under two themes: "Open access, virtual science libraries, geospatial analysis and other complementary ICT and science, technology, engineering and mathematical assets to address development issues, with particular reference to education", and "Innovation, research, technology transfer for mutual advantage, entrepreneurship and collaborative development in the information society". To contribute to a better understanding of those themes, UNCTAD would organize a panel meeting whose outcome would feed into the fifteenth session of the Commission.

13. **Mr. Vos** (Director, Development Policy and Analysis Division, Department of Economic and Social Affairs), introducing agenda item 21 (c), said that low-income countries had access to concessional lending windows, and least-developed countries (LDCs) had access to a defined set of international support measures. However, there was no official United Nations definition of the group of middle-income countries. The World Bank's categorization defined them as all those with a per capita gross annual income roughly between $1,000 and $12,000, i.e. most developing and transition economies not categorized as least developed.

14. Many middle-income countries had weathered the global financial crisis better than developed economies, with average economic growth of nearly twice the world. However, they remained vulnerable to business cycles in the developed countries and to world financial and commodity market volatility.

15. Recent robust growth had helped reduce poverty in middle-income countries. Currently, middle-income countries were home to about 75 per cent of the world's poor and income inequality was more marked in them than in low- or high-income countries, a

worrisome trend that hindered growth. Persistently high inequality enhanced the risk of conflict and impeded progress towards the MDGs. Thus, the challenge for many Governments was to make economic and social policies more supportive of inclusive growth.

16. The Secretary-General's report (A/66/220) drew upon two surveys of stakeholders to assess the nature of development cooperation with middle-income countries. According to the surveys, the United Nations was widely represented in middle-income countries and worked largely to help Governments design policies aimed at promoting equity and responding to human rights violations and advocacy. The system played a pivotal role in donor coordination and in helping policymakers adjust national priorities to meet challenges. The relatively new functions of the Annual Ministerial Review and the Development Cooperation Forum were seen as providing relevant platforms for middle-income countries to exchange their development cooperation experiences with other Member States and civil society. Middle-income countries now had more votes in the Bretton Woods institutions: in 2010 the IMF Board of Governors had approved a shift of more than 6 per cent of quota shares to developing countries without lowering the quota shares and voting power of the poorest. However, the weight of the basic vote having declined over the decades, the influence of most middle-income countries, except for the larger ones, had diminished. While cooperative efforts during the crisis had strengthened financial safety nets, concerns remained regarding the sufficiency and composition of international liquidity support and regarding middle-income countries' debt sustainability. The report recommended that the current framework for debt sustainability assessment should be expanded to monitor more disaggregated and higher-frequency data on debt stock, including short-term and domestic debt levels.

17. Certain constraints, perhaps most important among them the lack of a coherent strategic framework, prevented development cooperation from achieving its full potential in middle-income countries. There was much stress on achieving the MDGs, and many middle-income countries had made much progress towards basic human development targets but faced significant development and capacity challenges in other areas. Currently, much of the United Nations' support work was more suited to low-income than to middle-income countries. There were also operational and financing constraints, and there tended to be too limited specialized capacity in country offices. To overcome those limitations, the report recommended a specific policy framework for middle-income countries, in which country teams and resident coordinators should focus more on upstream policy requirements and make more use of capacities of non-resident agencies, account should be taken of the spillover effects of economic development in middle-income countries on that of low-income countries, and the United Nations system should reorient internal planning and coordination and tailor them better to the needs, priorities and decision-making processes of middle-income countries. Member States might wish to consider establishing a high-level panel or ad hoc working group for that purpose. The analysis could be undertaken during the comprehensive policy review of operational activities for development.

18. **Ms. Handrujovicz** (Argentina), speaking on behalf of the Group of 77 and China, said that the impact of globalization had been uneven and unpredictable. National efforts needed to be accompanied by intensified international cooperation in order to seize the opportunities that globalization created. The Group of 77 believed that the United Nations, as a universal forum, could strengthen international cooperation for development in the context of liberalization, helping developing countries to take full advantage of their potentials for economic growth and development. Coordination within the United Nations system should be strengthened to promote growth, poverty eradication and sustainable development.

19. The Group believed that each country had primary responsibility for its own development. Managing globalization for the benefit of all was a major challenge, and it was necessary to ensure the right to development, in particular through policy space for developing countries, taking into consideration their unique social, political, economic and environmental conditions.

20. All of the operational activities principles supported by the United Nations system — predictability, universality, progressivity — should be borne in mind, while reaffirming the importance of providing strategic support to all programme countries, including the middle-income and least developed

countries, upon request of the recipient Government, in order to address their specific needs.

21. Despite the successes they had achieved eradicating poverty, many middle-income countries still faced significant challenges in their efforts to achieve the internationally agreed development goals, including the MDGs. National averages such as per capita income did not usually reflect accurately the actual features and special development needs of diverse middle-income countries. International support had to be well aligned with national priorities to address those needs.

22. On the issue of culture and development, special attention should be paid to preserving diversity, which was the principal wealth of human development. There was a growing consensus that strategies to achieve development goals had to be embedded in the cultural traditions of each society. A culture-sensitive approach to development meant understanding the quantitative and qualitative contribution of culture to development. The Group therefore welcomed UNESCO's support for organizing a high-level conference on culture and development.

23. In an increasingly knowledge-based world economy, access to technology had become a vital component of any viable development strategy. However, restraints on access to technology were a major manifestation of inequality between developed and developing countries. Advances in science and technology and easier access to the latest technologies would help developing countries achieve strides in agriculture, health, energy, trade, water and environmental protection. When managing globalization at the international level, developmental considerations should be in the foreground, in order to ensure that all countries benefited. In that regard, the national development plans and strategies of developing countries deserved particular attention.

24. **Mr. Bairagi** (Nepal), speaking on behalf of the Group of Least Developed Countries, said that globalization was proceeding side by side with marginalization for the LDCs, largely due to entrenched global inequalities and structures generating uneven development. The gap between rich and poor continued to widen, the world economic outlook inspired a widespread fear of a double-dip recession and a sovereign debt crisis loomed in Europe. In some LDCs, economic growth had not correspondingly reduced unemployment and poverty. Many were unable to reap the benefits of trade due to heavy reliance on a few export items and markets, as well as declining terms of trade. The gap between ODA commitments and delivery would probably increase, and country programmable aid to the LDCs would stagnate in 2011 and 2012. The global crisis was adversely affecting remittance flows and debt relief initiatives. Rising food prices would again aggravate hunger and malnutrition. The LDCs were also bearing a disproportionate burden of climate change and wider Internet access and affordability remained a key challenge for them.

25. Globalization should mainstream the poor countries into the world economy and help build their capacity to secure prosperity. At the national level, countries should improve the condition of the poor and pursue a job-oriented macroeconomic policy. At the global level, a supportive international environment must assist countries to enhance their capacity to seize opportunities and minimize risks in managing the development process. As envisaged in the Istanbul Programme of Action, the LCDs' development partners should help them develop human capital, promote work and jobs to address unemployment and institute social protection; they should also fulfil ODA commitments, cancel the debt of LCDs, and develop a predictable and non-discriminatory multilateral trading and financial system; they should also promote technology transfer on favourable terms, to enhance cooperation on migration, and promote greater policy coherence and coordination at the global level to respond to the LCDs' special development challenges.

26. Properly harnessed, science and technology could help build domestic capacity and support rapid poverty eradication and sustainable development. The early establishment of a technology bank would help to build LCDs' capacity for science, technology, innovation and research. The Group called upon its partners to provide enhanced financial and technical support, to arrange for start-up financing for firms in LCDs to invest in new technologies, and to implement article 7 of the 2001 Doha Ministerial Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights and Public Health. The Commission on Science and Technology for Development and UNCTAD were to be commended for their efforts to disseminate knowledge with a view to supporting research and capacity-building in scientific and technological

innovation for sustainable development. The Group called upon the international community to enhance its cooperation and the coordinating role of the United Nations system to minimize the negative impacts of globalization and to make it work for all, including the LCDs. It was critical to ensure the full, timely and effective integration and implementation of the Istanbul Programme of Action by all concerned parties.

27. **Mr. Khan** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the Secretary-General's report on globalization and interdependence acknowledged that the countries of Southeast Asia had seen dramatic poverty reduction due to sustained economic growth, together with investments aimed at achieving the MDGs. ASEAN countries were confident of seeing economic growth of 5.4 per cent to 6.4 per cent in 2011, although risks and challenges remained, notably in regard to job creation. With global unemployment expected to reach 205 million in 2020, and likely to persist, the economic crisis had morphed into a global job crisis. Job creation was vital in order to address persistent inequality. The policies pursued should therefore be pro-growth, pro-jobs and pro-poor, aimed at increasing foreign trade, promoting investment especially in agriculture, rural development and infrastructure, and addressing debt effectively. The United Nations should proactively pursue an enabling international environment favourable to sustained growth. The Global Jobs Pact of the International Labour Organization (ILO) was a coherent framework for shaping strategies to sustain recovery.

28. Guided by the ASEAN Plan of Action on Science and Technology, ASEAN aimed to achieve expanded science and technology cooperation with the international community. It believed that new technologies, particularly green technologies, should be affordably available to the developing countries in order to spur economic growth and expedite achievement of the MDGs. ASEAN was concerned that, according to the Secretary-General's report on development cooperation with the middle-income countries, several bilateral donors were downsizing or phasing out assistance to those countries. However, those countries, as part of the developing world, still needed assistance to reach their full potential. Reduced assistance might hamper poverty eradication efforts and slow progress towards sustained, inclusive and equitable global economic growth.

29. **Mr. Gonsalves** (Saint Vincent and the Grenadines), speaking on behalf of the Caribbean Community (CARICOM), said that any discussion of globalization and interdependence had to begin with the global economic and financial crisis. The CARICOM States had neither caused nor contributed to the ill-conceived policies that had led to the crisis, yet they suffered tremendous economic and developmental fallout as a result of regulatory failures and rapacious corporate greed in other countries. They had yet to regain their pre-crisis levels of income, employment or development. Tourism, foreign direct investment and remittances were greatly reduced, with obvious implications for national development and maintenance of social safety nets. Many CARICOM States had had to enter into IMF programmes of varying severity.

30. The Secretary-General's report cast doubt on the alleged benefits of financial globalization. It was incumbent on the General Assembly to play a more robust role in seeking to fulfil the promise of globalization while minimizing its negative impacts. Increasingly, globalization played a critical role in the development of CARICOM States. However, it was not responsive to the needs of those States, and affected them in ways they could not prevent or control. The States and regions that had benefited greatly from globalization should lead in crafting solutions to its negative impacts.

31. While welcoming the Secretary-General's report (A/66/220) on development cooperation with middle-income countries, CARICOM States were disappointed that it did not refer to the fact that the small island developing States in that category were open, vulnerable and heavily indebted, with deep and intractable pockets of poverty, and required assistance from the international community, including debt relief, concessions and assistance specifically tailored to increase economic and developmental space, in order to cope with their situation.

32. In a knowledge-based economy, technological inequality was as great an impediment as income inequality. The United Nations should address the technological gaps and digital divides hampering national development. There was also a need to recognize the threat posed by globalization to the diverse cultures of the world and the creeping hegemony that often imposed standardized rules antithetical to deeply entrenched cultural norms. The

development potential of culture lay in its diversity, not in its standardization. The true measure of globalization was whether it produced tangible improvements in the quality of life and choices available to citizens. The small and vulnerable States of CARICOM had enjoyed some benefits of globalization but, amid deepening crises, were disproportionately burdened by its numerous disadvantages.

33. **Ms. Fotina** (Russian Federation) said that economic development, innovation and modernization were important not only in themselves, but as means of opening up new opportunities for people, leading to improved standards of living, better qualifications, and the abandonment of dangerous and harmful industries, resulting in turn in a better quality of life. The State, business and international organizations must not forget their core social responsibility towards citizens, otherwise social and political issues would overshadow both the economy and growth.

34. Russia pursued a balanced labour market policy, aimed not only at creating and sustaining jobs, but at raising the professional standing of workers by enabling them to acquire the skills most in demand, while modernizing vocational education. Labour and employment issues, and social protection, should be high on the global economic agenda. Russia's Prime Minister had offered to host a high-level international conference in 2012 on ways of implementing the Decent Work Agenda of ILO.

35. Middle-income countries had made great strides in recent years in tackling poverty and achieving economic growth, while making an increasing contribution to global and regional growth and economic stability. Some of them had become donors, rather than recipients, of international aid. However, some of them still needed assistance in dealing with the serious social and economic consequences of persistent poverty and inequality, uneven economic growth and difficulty in meeting the MDGs. More than financial "inflows", what they needed to progress and grow were the structural changes resulting from a diversified economy, together with increased labour productivity and investment in the social sphere and in infrastructure. United Nations organizations could offer them invaluable support through their experience, their expert potential and their networks of country and regional offices. The models of assistance traditionally used in low-income countries did not apply to middle-income countries. The efforts of United Nations system agencies in the latter category of countries should be focused on supporting their Governments in making them independent of development assistance. She requested more detailed information about the aims and methods of the high-level panel or ad hoc working group on development cooperation with middle-income countries proposed by the Secretary-General in his report (A/66/220, para. 55).

36. With regard to the UNESCO report "Culture and development" (A/66/187), her delegation agreed that cultural issues should be taken into account in development strategies and programmes, as reflected in the World Summit Outcome document and in General Assembly resolution 65/166. Many United Nations system organizations had declared themselves willing to play a part in implementing that resolution. As for holding a United Nations conference on the subject, her delegation would want to know more about the aims, status and format of such a conference.

37. **Mr. Daoud** (Sudan) said that many developing States continued to face obstacles in their development efforts. The food, energy and climate change crises had created urgent humanitarian situations that required effective action on the part of the global trade system. The achievement of fairness in international trade was a common objective based on common but differentiated responsibilities. The developed States should put forward bold proposals which were consistent with their commitments to bring about progress in all aspects of the negotiations, especially the agricultural sector. A practical solution was needed to help developed countries meet all their commitments, to bring about a partnership for development, to ensure the access of developing countries to world markets, to promote transparency and fairness in international trade and to adopt practical modalities to facilitate the accession of developing countries to WTO.

38. **Mr. Wira Haji Idris Bin Haji Haron** (Malaysia) said that Malaysia, a mid-sized economy, had benefited from globalization. Its experience showed that sustained, inclusive and equitable growth was a precondition for facing globalization's negative impacts. Coping with globalization required capacity-building through training and technology transfer, with technology, including information technology and green technology, made available at an affordable price; trade reform, through the conclusion of the Doha Round, to create a more balanced trade environment;

and the creation of an international environment conducive to sustainable and equitable growth, in particular by reforming the international financial system. Malaysia hoped that the United Nations would play a more effective role in ensuring that developed countries adhered to their ODA commitments, following the concept of common but differentiated responsibilities, and ensuring that the LDCs progressed to middle-income status.

39. **Mr. De Almeida** (Brazil) said that as the world grappled with renewed economic turbulence, concerns over security and energy prices, and challenges posed by climate change, there were growing misgivings about the balance of costs and benefits of globalization. However, the expansion of cross-border flows of goods, services, capital, labour, information and technology was an integral part of the modern world. Equitable globalization should contribute to the realization of full human potential, and must therefore be managed carefully. In an interdependent world, global challenges would increasingly require collective action. The G-20 could make a positive contribution, strengthening world economic recovery and laying the foundations for sustained growth. The United Nations should present useful advice on policy questions in economic and financial matters and ensure political cohesion and policy coordination along with IMF, the World Bank and the G-20.

40. The financial crisis had encouraged a growing consensus on the importance of comprehensive social protection measures. Active social policies supported consumption and fostered economic growth. A basic social protection floor could mitigate the negative impacts of globalization for the most vulnerable while helping to break the cycle of poverty.

41. Many middle-income countries had experienced remarkable recovery after the economic and financial crisis. However, they were home to 70 per cent of the world's poor and faced extraordinary development challenges. As a group, they had higher social inequality and economic disparities than other developing countries. Despite their strides towards the MDGs, they were vulnerable to external shocks, and needed international support to help them consolidate development gains. The United Nations system should have a well-defined agenda for them and maintain a comprehensive local field presence in all developing Member States that so desired, including the middle-income countries.

42. Promotion of culture could play a key role in achieving the MDGs. Domestic policies sensitive to local culture would naturally tend to reflect national ownership and leadership priorities, contributing to equitable and balanced results. Brazil welcomed initiatives aimed at raising the profile of culture as an economic sector in its own right, as an intrinsic value and as a defining characteristic of society. Culture must be systematically integrated into national development policies and international assistance initiatives. Globalization could not be effectively managed without taking cultural diversity into account.

43. **Mr. Traoré** (Senegal) said that the shortcomings of globalization were in urgent need of correction. The dysfunctions of the world economy had to be adjusted in order to enable developing countries, especially the LDCs, to achieve the MDGs. That required observance of international commitments concerning the energy, food, environmental, economic and financial challenges.

44. Culture played a vital role in the development agenda. Senegal's experience showed that culture had a positive impact on employment, industry, infrastructure, environment, tourism, job creation and sustainable development. Reaching the MDGs would depend on taking the cultural dimension into account in all development strategies and policies. A high-level conference was needed in order to address issues of culture and development.

45. **Ms. Leshkova** (Belarus) said that some middle-income countries had shown the world's best economic growth rates over the previous decade, yet almost two thirds of the planet's poor lived in countries of that group. The overall success of the MDGs would therefore be measured by the success of the middle-income countries. Just as a sizeable and stable middle class indicated national stability, steady and sustainable development of the middle-income countries would be indicative of general stability in the world.

46. The United Nations needed a consistent approach to interaction with middle-income countries and to the comprehensive assistance they required. Strategies and patterns of cooperation should be developed to combine those countries' needs and national priorities and the capacities of the United Nations system and international financial institutions. Belarus looked forward to discussion of that topic at the first regular session of the UNDP/UNFPA/UNOPS Executive Board

in 2012, and welcomed the Secretary-General's proposal for the establishment of a high-level group or special working group to study challenges and difficulties facing middle-income countries.

47. **Mr. Islam** (Bangladesh) said that the benefits of globalization had always been unequal, and its costs were borne disproportionately by the poor. Without a coordinated international assistance structure the developing countries, particularly the LDCs, could not withstand the challenges of globalization so as to reap its benefits. Globalization should not be tantamount to imposing conditionalities, nor compel a nation State to refrain from exercising its rights and privileges over its own policy spaces. The international community, particularly the development partners, must pay full respect to the Accra Agenda for Action when disbursing ODA and other development assistance.

48. Since development endeavours without local support were not sustainable, all plans and programmes should recognize the traditions and culture of the local people, with due attention to diversity.

49. In a knowledge-based world, globalization could help to disseminate cutting-edge technology and scientific innovation. However, restraints on access to technology had become a serious problem for developing countries, particularly the LDCs. Transfer of technology on easy and affordable terms for poorer countries was essential. In managing globalization, it was important to ensure that all countries and peoples of the world would profit from it, in order to avoid further disparity in a world already tarnished by division, inequality and exclusion.

50. **Mr. Xie** Xiaowu (China) said that with the MDG deadline nearing, full play should be given to the pivotal role of science and technology in addressing such major issues as food and energy security, climate change, transformation of traditional industries, incubation of new ones, and economic recovery. Developed countries in particular should boost technology transfer and help develop human resources, in the recognition that by doing so they were effectively tackling their own economic crisis and increasing employment.

51. Joint efforts in science and technology should be pursued, especially in fields which by their scale were beyond the capacity of a single country or even a few countries, such as climate change problems, resource shortages, food security, disease control and deep space exploration. The international community should demand that developers of high and new technologies take safety seriously and adopt concrete safety measures when transferring technology to developing countries.

52. Having become the world's second-largest economy, China still lagged behind more than 80 countries in GDP per capita. Its development was still unbalanced, with gaps between coastal and inland regions, urban and rural areas, and high and low income groups. China still had a large poverty-stricken population. Nevertheless, China remained committed to providing technical assistance to developing countries to the best of its ability. It had established the China-Africa Science and Technology Partnership Programme (CASTEP) and would continue to carry out scientific and technological cooperation and build partnerships that produced mutual benefit and common development.

53. **Mr. Chiquihuara** (Peru) said that middle-income countries played a catalytic role in South-South cooperation and in promoting equitable and sustainable growth of the world economy, but they still faced major challenges in poverty, health, education and climate change. It was therefore vital for developed countries to intensify their ODA and for international financial institutions to step up efforts to support those countries' initiatives through technical cooperation, transfer of technology and capacity-building, taking into account their national policies. Observance of the principles of predictability, progressivity and universality of United Nations support to developing countries was fundamental.

54. Among the middle-income countries, those with the highest degree of inequality were to be found in Latin America. Inequality had a negative impact on human development, and the United Nations should therefore not continue to use per capita GDP as its main measure of development, since that indicator concealed large inequalities and did not reflect such factors as geographical distribution of income that had a clear socio-economic impact and were factored into human development indices. The criteria for classification of countries must be made more responsive to development needs.

55. Cultural diversity was an important cross-cutting element in human development, and a key to national empowerment through the creation of sustainable,

dynamic and innovative cultural industries by integration of the cultural dimension into all levels and strategies of development. There was a need for mechanisms to promote culture, and for international cooperation in preventing the unlawful appropriation of cultural heritage and cultural products. The links between cultural diversity and biological diversity must be recognized, and local indigenous knowledge and traditions preserved as valuable examples of the role of culture as a vehicle of environmental sustainability and sustainable development.

56. **Mr. Govrin** (Israel) said that scientific and technological progress had driven Israel's rapid evolution from a fledgling agricultural society to a high-tech powerhouse with more start-up companies, patents and Nobel prizes in science per capita than any other country in the world. Israel had recently become an associate member of the European Centre for Nuclear Research, despite ongoing attempts at boycotting scientific cooperation with Israel. Science and technology determined the ability to provide adequate infrastructure, good health care, clean water and safe food. A small country poor in natural resources, Israel had had to tackle problems such as water scarcity and desertification by developing sophisticated agricultural techniques, making optimal use of scarce water, harsh land and a limited labour force. One highly successful project, Techno-agriculture Innovation for Poverty Alleviation (TIPA), which had been implemented by MASHAV — Israel's international development agency — in a number of African countries, relied on simple, low-cost drip irrigation to enable farmers to produce crops year-round and improve crop quality. In the medical field, Israel had recently developed a mobile-phone-based imaging application which enabled malaria to be diagnosed in the field by using a special lens to look for the pigment that the malaria parasite generated when it digested red blood cells. That technology would be welcome in Africa, where 1,900 children under five died from malaria each day.

57. For long-term goals to be achieved and growth to become sustainable, developing countries needed to develop their own capabilities in science, technology and innovation. Beyond assistance, the focus should be on capacity-building, education and transfer of skills. The draft resolution on agricultural technology for development, which Israel would bring to the Second Committee for the third time, embodied that important idea. By calling for the transfer of sustainable agricultural technologies and knowledge that could be easily assimilated by local farmers, the resolution ensured sustainable agricultural productivity which would continue to yield successful development outcomes.

58. **Ms. Nujoma** (Namibia) said that globalization brought new opportunities for sustained economic growth, but its benefits had not been equally shared; rapid changes had been accompanied by intensified poverty, unemployment and social disintegration. Economic disparities within and among same countries were on the increase.

59. The use of per capita income as a measure of development disregarded the diversity of the middle-income countries, whose high growth volatility and high income inequality were impediments to development. Development cooperation should therefore be geared to adjusting the intensity of aid to the specific needs of each stage, and ensuring that countries which graduated to the middle-income category did not slide back. Their economic advancement was an essential ingredient of broader regional stability, yet their growth had frequently collapsed, putting strains on democratic governance. The number of people living in extreme poverty in the 18 middle-income countries of sub-Saharan Africa had grown by over 32 million since the early 1990s. Clearly, development assistance to Africa should be a priority and aid to the poorest countries should not divert attention from the middle-income countries. Aid effectiveness depended crucially on giving recipient countries ownership of development strategies. The international community should therefore join forces to provide financial support that was predictable, flexible and substantial.

60. Few developing countries had wide access to international capital markets. The best way to speed development of middle-income countries was to support their efforts to develop technology and research capacities. To that end, investments in infrastructure and energy were vital. As several bilateral donors were downsizing or phasing out development assistance to middle-income countries, the United Nations should strengthen its role in those countries to ensure that their hard-won gains were preserved.

61. **Ms. Osoba** (Nigeria) said that her delegation attached utmost importance to full implementation of the United Nations Convention against Corruption with regard to mutual legal assistance.

62. Globalization must strive to strengthen common values and boost local development, taking into account traditions, culture and the identity of the people. Diversity, the principal wealth of human development, must be preserved. Nigeria supported the "Creative Africa Initiative" launched to showcase the richness of African culture.

63. Financial globalization had been expected to move capital from developed to developing economies. The reverse had taken place, and extreme boom and bust cycles had greatly reduced income. Moreover, industrialized nations had taken advantage of trade liberalization to dump cheap manufactured goods, rendering local industries inefficient and leading to slow growth, low capacity utilization and low output.

64. Nigeria was relaxing capital controls which posed a significant obstacle to foreign direct investment and participating actively in the New Economic Partnership for Africa's Development. It supported implementation of the Scientific and Technical Exchange Programme aimed at reversing the brain drain in Africa and had strongly advocated exchange of expertise through South-South cooperation and requested more support for creating the South-South Global Asset and Technologies Exchange project.

65. The international community should provide support to a fair and more equitable globalization for all by helping developing countries to increase their capacity to manage their respective development processes and to build human capital. Nigeria urged UNCTAD to continue to implement science, technology and innovation policy reviews in developing countries, while ensuring that innovative mechanisms were adapted to the specific context of developing countries.

The meeting rose at 1.05 p.m.